GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:211
ANSWERED ON:25.07.2005
SUBSIDY DUES OF FERTILIZER INDUSTRY
Singh Shri Sitaram

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total amount due as subsidy to fertilizer industry by the end of year 2004; company-wise;

(b) the reason for accumulation of dues;

(c) its impact noticed on the performance of fertilizer industry; and

(d) the remedial measures taken/proposed to be taken to pay the dues to improve the situation?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a) & (b): The total amount of due for payment as subsidy to urea manufacturing units at the end of year 2004 was Rs. 194.41 crore and the same was paid before the end of the financial year 2004-05 i.e., by 31.3.2005. The unit-wise details are given at Annexure-I.

As regards the decontrolled phosphatic and potassic (P&K) fertilizers, the Department of Fertilizers administers a Concession Scheme on the sale of decontrolled (P&K) fertilizers under which 85%/90% `on account` payment of concession is released to the manufacturers/importers covered under the Scheme. The claims of concession are settled finally only after the sales are certified by the concerned State Governments, wherein the fertilizer was sold. Delay in sales certification on the part of the State Governments has been responsible for the final settlement of the claims of concession. The amount due as subsidy keeps on changing on day to day basis. Two statements showing the pending claims of concession company-wise during 1.10.2000 to 31.3.2005 in case of indigenous manufacturers and 1.10.2000 to 31.1.2004 for importers are at Annexure-II and Annexure-III respectively.

(c) & (d): A timeframe has been prescribed in the guidelines issued on 5.8.2002 on Concession Scheme for the State Governments to certify the sales of P&K fertilizers. The absence of sales certification by the States in the given time schedule led to a huge unadjusted `on account` payment of concession. In order to reduce its magnitude, the Department of Fertilizers launched a drive in 2003 whereby the State Governments were asked to certify the sales by the given deadline of dates year wise. The companies were also encouraged to cooperate with the State Governments in this regard. It resulted in considerable reduction of the unadjusted `on account` payment of concession on one hand and clearance of dues of companies on the other hand.

Annexure-I

Annexure referred to in reply to pars (a) & (b) of the Lok Sabha Unstarred Question No. 211 to be answered on 25.7.2005

Claims due for payment as on 31.12.2004 for urea units Rs. in crore

S. No.	Name of the unit	Amount
1.	CFCL-Gadepan-I	3.86
2.	CFCL-Gadepan-II	31.63
3.	GSFC-Vadodara	4.23
4.	BVFCL-Namrup-III	0.11
5.	IFFCO-Aonla-I	1.16
6.	IFFCO-Aonla-II	1.20
7	IFFCO-Kalol	19.12
8.	IFFCO-Phulpur-I	18.62
9.	IFFCO-Phulpur-II	25.50
10.	Indo Gulf - Jagdishpur	1.27
11.	KRIBHCO-Hazira	5.47
12.	NFL-Panipat	3.86
13.	NFL-Bhatinda	7.03
14.	NFL-Nangal	6.86
15.	OCFL-Shahjahanpur	0.75
16.	SFC-Kota	5.94
17.	SPIC-Tuticorin	26.08
18.	TCL-Babral	15.38
19.	ZIL-Goa	16.34
	Total	194.41

Annexure-II

Annexure referred to in reply to pars (a) & (b) of the Lok Sabha Unstarred Question No. 211 to be answered on 25.7.2005

Statement showing pending payment of concession during 1.10.2000 to 31.3.2005 in case of Indigenous Manufacturers of decontrolled P&K fertilizers

S. No.	Name of Company	Amount (In Rs. Crore)
1	Andhra Sugar	0.43
2	Agro Phos	0.00
3	Asha	0.30
4	Arawali Phos	0.23
5	Arihant Phos	0.00
6	Asian Fert	0.43
7	Balaji Fert.	0.17
8	Basant Agro	0.65
9	BEC	1.56
10	Bharat Fert.	0.05
11	Bhiwani Mishra	0.10
12	Bohra Industries	0.21
13	CFL	25.25
14	Chemtech	0.05
15	Coimbatore Pioneer	0.25
16	Deepak	1.33
17	DMCC	0.92
18	FACT	19.26
19	Gayatri Spin.	0.12
20	GFCL	31.66
21	GNVFC	5.66
22	GSFC	49.98
23	Hindalco	18.95
24	IFFCO	82.33
25	IFFCO(GFCL)	0.60
26	IPL(SSP)	0.01
27	Jai Ram Phos	0.14
28	Jai Shree	0.50
29	Jubliant Org.	-0.06
30	Jubliant Org.(Sadhna)	0.03
31	Khaitan Ch & Fert. I	4.36
32	Kashi Urv	0.00
33	Krishna Ind. Corp.	0.15
34	Liberty Phos	1.64
35	Liberty Urvarak	0.41
36	Madhya Bharat Phos	0.07
37	MARDIA	0.16
38	Manglam	0.08
39	MCFL	8.34
40	Mukteshwar	0.00
41	Mahadev	0.09
42	MFL	22.82
43	Natraj Org.	0.04
44	Nirma	0.64
45	OCFL	86.33
46	Phosphate Co.	0.52
47	PPCL	0.00
48	PPL	85.88
49	Pragati Fert.	0.21
50	Premsakhi	0.26
51	Prathyusha	0.05
52	Priyanka	0.04
53	Rama Phos (I)	1.28
54	Rama Phos (U)	0.55
55	Raashi	0.02
56	Raj Laxmi	0.03
57	RCF	15.60
58	RKRL	0.60
59	Shiva	0.39
60	Shri Ganpati	0.03
61	Shree Krishna	0.04
62	Shaw Wallace	0.08
63	Sadhana	0.24
64	Sona	0.01

65	Shurvi Color	0.05
66	SPIC	7.96
67	Subhodya	0.10
68	Shree Acid	0.33
69	Swastik	0.05
70	TATA CHEM	42.09
71	Tedco Granite	0.18
72	Teesta Agro	0.83
73	TJ Agro	0.10
74	Tunghbadra	0.19
75	ZIL	19.48
	Total:	543.43

Annexure-III

Annexure referred to in reply to pars (a) & (b) of the Lok Sabha Unstarred Question No. 211 to be answered on 25.7.2005

Statement showing pending claims during 1.10.2000 to 31.12.2004 in case of importers of decontrolled P&K fertilizers

Sl. No.	Name of the Company	Total Amount (In Rs. Crore)
1	Cargill	11.09
2	CFCL	7.27
3	CFL	4.94
4	DIL	0.03
5	FACT	0.41
6	GFCL	0.04
7	GNVFC	0.80
8	TATA	12.58
9	IFFCO	4.04
10	IPL	83.24
11	MFL	0.73
12	MMTC	0.01
13	PPL	5.40
14	RCF	3.66
15	RIL	0.56
16	SFC	20.29
17	SPIC	0.71
18	ZIL	2.97
Total		158.77